GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3538
ANSWERED ON:20.08.2004
NPAS OF IFCI
Chakraborty Shri Ajay

Will the Minister of FINANCE be pleased to state:

(a) the status of Non-Performing Assets of Industrial Finance Corporation of India (IFCI);

(b) whether many other financial institutions are also facing severe NPAs problem ;

(c) if so, the details thereof during the last three years, financial institution-wise; and

(d) the steps taken by the Government to bring down the NPA ratio of financial institutions?

Answer

THE MINISTER OF STATE ESf THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(b)&(c):The details of the Non-Performing Assets of IFCI, IIBI, IDBI EXIM Bank, NABARD, NHBjDFC and StDBi are enclosed as at Annexure. (d): The efforts of the Government RBI to reduce NPAs of financial institutions are as under:

The RBI vide guidelines issued in July, 2000 and revised subsequently on 4th February, 2003 advise FIs to recover NPAs through One-Time Settlement Schemes.

The Government set up seven more DRTs during 2000-01 to encourage participation of FIs in the settlement of NPAs.

The Debt Recovery Act was amended to empower DRTs to immediately issue Recovery Certificate on the basis of decree or order of civil court.

A transparent Credit and Debt Restructuring Mechanism has been put in place for restructuring of corporate debts of viable entities facing problems due to internal and external factors.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 regulates securitisation and reconstruction of financial assets and enforcement of security interest.